



DEPARTMENT OF COMMERCE  
Foreign-Trade Zones Board  
[B-33-2022]

Foreign-Trade Zone 186 – Waterville, Maine;  
Notification of Proposed Production Activity,  
Flemish Master Weavers,  
(Machine-Made Woven Area Rugs),  
Sanford, Maine

The City of Waterville, Maine, grantee of FTZ 186, submitted a notification of proposed production activity to the FTZ Board (the Board) on behalf of Flemish Master Weavers (FMW), located in Sanford, Maine, within Subzone 186A. The notification conforming to the requirements of the Board's regulations (15 CFR 400.22) was received on August 2, 2022.

Pursuant to 15 CFR 400.14(b), FTZ production activity would be limited to the specific foreign-status materials/components and specific finished product described in the submitted notification (summarized below) and subsequently authorized by the Board. The benefits that may stem from conducting production activity under FTZ procedures are explained in the background section of the Board's website – accessible via [www.trade.gov/ftz](https://www.trade.gov/ftz).

In 2016, FMW received limited FTZ authority to produce machine-made woven area rugs using polypropylene and polyester yarns in privileged foreign (PF) status (19 CFR 146.41), which precludes inverted tariff benefits on those inputs (see 81 FR 51850, August 5, 2016).

In 2017, FMW requested authority to admit continuous filament polypropylene (CFPP) yarn in nonprivileged foreign (NPF) status (19 CFR §146.42) (B-28-2017, 82 FR 26434, 6/7/2017). That request was approved subject to the following restrictions: 1) the annual quantitative volume of CFPP yarn that FMW may admit into Subzone 186A under NPF status was limited to 3 million kilograms; and, 2) approval was limited to an

initial period of five years, subject to extension upon review (Board Order 2071, 83 FR 54709, 10/31/2018).

The pending notification requests to remove the restriction requiring admission in PF status for CFPP yarn – to which FMW's operation would otherwise be subject beginning on October 25, 2023 (upon expiration of the time-limited authority approved in Board Order 2071).

The finished product is machine-made woven area rugs (duty-free). The proposed foreign-status materials and components include single-ply and two-ply continuous filament polypropylene textured yarn (duty rates 8.8% and 8% respectively). The request indicates that the materials/components are subject to duties under Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 301 decisions require subject merchandise to be admitted to FTZs in PF status.

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: [ftz@trade.gov](mailto:ftz@trade.gov). The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection in the "Online FTZ Information System" section of the Board's website.

For further information, contact Diane Finver at [Diane.Finver@trade.gov](mailto:Diane.Finver@trade.gov).

Dated: August 2, 2022.

Andrew McGilvray,  
Executive Secretary.